



April 4, 2018

The Honorable Swain E. Whitfield, Chairman
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

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Re: *Joint Application and Petition of South Carolina Electric & Gas Company and Dominion Energy, Incorporated for Review and Approval of a Proposed Business Combination between SCANA Corporation and Dominion Energy, Incorporated, as May Be Required, and for a Prudency Determination Regarding the Abandonment of the V.C. Summer Units 2 & 3 Project and Associated Customer Benefits and Cost Recovery Plans*
Docket No. 2017-370-E

Dear Chairman Whitfield:

I am the Director, Southeast Clean Energy for the Environmental Defense Fund (EDF). Our mission is to preserve the natural systems on which all life depends. Guided by science and economics, we find practical and lasting solutions to the most serious environmental problems.

What distinguishes Environmental Defense Fund is the combination of what we protect and how we protect it. We work to solve the most critical environmental problems facing the planet. This has drawn us to areas that span the biosphere: climate, oceans, ecosystems and health. EDF has over 2 million members and our regional Southeast office is located in Raleigh, North Carolina.

I am writing this letter in connection with the proposed merger between Dominion Energy, Inc. and the South Carolina Electric & Gas Company (SCANA). EDF did not formally intervene in the case, but I am submitting this letter as a public comment on the proposed merger.

If the Commission approves the merger, EDF recommends that, as a condition of the merger, the company should file a comprehensive grid modernization plan. Grid modernization is one of the primary initiatives of EDF's Clean Energy program. When properly done, grid modernization can reduce the cost of serving customers and reduce greenhouse gas emissions. This is a timely topic for the Commission to address in this merger case for two reasons. First, SCANA has abandoned the Summer nuclear plant project. The electricity that would have been generated by this project will probably be replaced predominantly by natural gas plants, with a

higher carbon footprint. Second, in its most recent integrated resource plan filing, SCANA stated that it was planning to roll-out AMI meters for its customers. EDF has developed a set of comprehensive principles for grid modernization, which are contained in the report: *Grid Modernization: The Foundation for Climate Change Progress*, and can be accessed here: <https://www.edf.org/sites/default/files/GridModReport.pdf> Grid modernization can be an important tool in reducing greenhouse gas emissions.

Planning is a key element of a successful grid modernization process. The report describes how grid modernization planning can be done in an inclusive, thoughtful, transparent manner, incorporating input from all interested stakeholders. The planning process should incorporate performance metrics that describe the objectives and functionalities the grid modernization is intended to provide, and also serves as a scorecard for measuring whether the company is achieving these objectives.

A well-designed grid modernization program will ensure that the company implements grid modernization in a cost-effective manner and that customers receive the full range of benefits available from grid modernization. The plan should be supported by a transparent cost/benefit analysis and should address the following objectives:

- Optimizing renewable energy
- Integrating distributed energy resources
- Deploying integrated volt-var optimization for energy conservation
- Providing support for electric vehicles, and
- Providing customers and third parties with access to customer energy usage data through Green Button Connect My Data

The proposed merger is a good opportunity for the Commission to ensure that SCANA implements grid modernization in an efficient manner. We appreciate the opportunity to comment on the proposed merger, and we thank the Commission for its consideration.

Very truly yours,



Dionne Delli-Gatti
Director, Southeast Clean Energy